

**ANGUS COUNCIL – 29 JUNE 2017**

**CHANGE PROGRAMME**

**REPORT BY THE CHIEF EXECUTIVE, STRATEGIC DIRECTOR OF PEOPLE AND STRATEGIC  
DIRECTOR OF PLACE**

**ABSTRACT**

This report provides an update on our strategic partnership arrangements and seeks procurement authority for development and training services to progress the use of process automation technology.

**1. RECOMMENDATIONS**

It is recommended that the council:

- (i) notes the updated position of the strategic partnership with EY and endorses the approach that the next phases of the council's change programme will be led and delivered by an in-house team;
- (ii) agrees the procurement authority for development, software and training services to progress the use of process automation technology to support our ambitions of being a 'digital council by 2020'; and
- (iii) approves funding of up to £300k for the purpose of development, software and training services from the council's change fund.

**2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/ SINGLE OUTCOME AGREEMENT/  
CORPORATE PLAN**

- 2.1 The outcomes associated with this report will contribute to the Angus Community Plan and Single Outcome Agreement 2013 – 2016, and the emerging Local Outcome Improvement Plan focused on the economy, people and place.

**3. BACKGROUND**

- 3.1 Reference is made to Report 133/17, considered by the council at its meeting on 23 March 2017 and the Scrutiny and Audit Committee at its meeting on 22 June 2017. That report provided the latest update in relation to the council's change programme. Reference is also made to Report 408/16 approved by the Council in November 2016 which sought authority to procure additional services from the Council's strategic partner (EY) on the basis of a fixed fee of £400k and no-win/no fee element.

**4. STRATEGIC PARTNERSHIP UPDATE**

- 4.1 Angus Council and EY formed a strategic partnership in August 2014 to deliver added value by providing specialist services, additional capacity and to develop our internal capability, to help to protect essential services during a period of unprecedented financial pressure.

- 4.2 Our 2016 Best Value Audit report told us we needed to 'raise our level of ambition and increase the pace and depth of improvement'.

- 4.3 Through the partnership we have focused on identification, qualification and delivery of projects across specific service areas. EY drew upon insight from other organisations to help inform the identification and development of proposals to support our future needs. A robust benefits realisation framework has been developed and adopted and we have identified a back office project portfolio.

- 4.4 Specific work included:

- specialist advice to support the establishment of the Angus Alive culture and leisure trust;

- improving the quality, capacity and sustainability of care services through the Help to Live at Home programme;
- spend analysis and engagement to support identification of commercial opportunities;
- proposal for a new customer contact model to enhance customer experience and reduce cost; and
- assessment and prioritisation of the opportunities for process automation technology, and undertaking a proof of concept to test the approach within council systems.

4.5 Angus Council and EY have agreed that we will not progress the partnership into phase two and that an in-house council team will lead and deliver the next phases of our change programme.

We have now adopted a new strategic planning approach focused on Economy, People and Place with our new structure, which came into effect on 1 June, directly aligned to these key areas. Two key enablers will support our strategic planning and delivery – resource allocation and workforce planning. Work is underway in both of these areas to ensure we are able to achieve our goals.

This more holistic approach to our organisational development is firmly focused on results and will directly shape our future organisational change activity.

This approach will build on the achievements and learning from the strategic partnership to ensure we are better placed to deliver value for the citizens of Angus.

4.6 More detail in relation to the future delivery of change will be included in a future report to council.

## 5. PROCESS AUTOMATION TECHNOLOGY

5.1 The council is committed to being a ‘digital council by 2020’ and that means service delivery needs to change and staff supported to embrace a digital work environment.

5.2 An opportunity has been identified to use process automation technology to streamline and simplify internal rules based processes. This software-based technology has the ability to deliver repetitive transactional and process driven work leading to an improved service for customers.

A proof of concept has been developed and opportunities have been identified to deploy this technology on a phased basis in a number of service areas. The technology will enable our digital systems to pull and push information between systems and programmes, helping to join up data and make it easily accessible to the customer 24 hours a day, seven days a week. With growing numbers of people wishing to access services when it is most convenient for them, enabling people not just to see information, but also to transact with the council is vitally important.

5.3 The implementation of process automation technology will release resources from repetitive work and provide an opportunity for around four staff to re-train and develop new digital skills.

5.4 There is a requirement for initial investment in the provision of specialist expertise to develop the technology to suit the council, purchase suitable software and to train in-house staff in new skills to sustain and grow the capability in our own workforce. We would then be at the cutting edge of process automation amongst councils in Scotland offering the potential to develop a Centre of Excellence with income generation possibilities.

5.5 These development, software and training services need to be procured, and procurement authority is therefore sought in terms of section 16.8 of the financial regulations. The key procurement information includes:

- the sourcing strategy is being developed by officers who will identify and utilise the most appropriate route to market, including the potential use of a suitable framework or an open 2-stage tender process
- procurement process to be completed for October 2017
- contract duration to be tailored to suit the council’s implementation programme
- total estimated value of the ‘development, software and training services’ £300k

- Tenders will be evaluated on the basis of a price/ quality split between the price at 50% and quality criteria at 50%
- no material risks have been identified in undertaking this procurement
- this is not considered to be a major procurement in terms of section 16.8.4 of the financial regulations

## **6. FINANCIAL IMPLICATIONS**

- 6.1 It is proposed to meet the estimated cost of £300k for 'development, software and training services' from the Change Fund, which currently has a balance of £1.1m (report 133/17 refers).
- 6.2 It is proposed to meet staff costs associated with this initiative from existing provision within the General Fund Revenue Budget.
- 6.3 The work undertaken by EY since November 2016 working alongside Council staff has helped to identify a significant number of options for future savings and the financial benefits of this work will be drawn out over the course of the next couple of years as those savings options are implemented.
- 6.4 The total amount of payments to EY over the 3-year period, including the £400k approved in Report 408/16, amount to £829k and have been contained within the original approved cost of £900k (report 200/14 refers), and met from the Change Fund budget provision. Over the life of the partnership the Council and EY working together have achieved budget savings of £3,883k (or costs avoided), along with other non-cash benefits.

## **7. MANAGING WORKFORCE CHANGE**

- 7.1 As we work towards being 'a better, stronger, more sustainable but smaller organisation by 2020' this process automation type of initiative can provide the catalyst to managing workforce change in a manner which creates new opportunities for re-training staff and developing up to date skills which are aligned with the future needs of the council and its citizens. However, there are likely to be reductions in staff numbers over time as we introduce new digital processes.
- 7.2 It is anticipated that as we become a more digital organisation, we can improve our access to training for young people either through work experience or full Modern Apprenticeship opportunities. Angus Council has, like other councils across Scotland, contributed to a central fund that supports modern apprenticeships and we will be looking to draw down some of that money to be used locally promoting the development of our future workforce and providing the appropriate training to enable them to deliver services in the future.

**NOTE:** No background papers as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

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